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DIA & DOS review(s) completed.

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1. US to withdraw Mission from Albania--The State Department has instructed Acting US Representative Henderson to inform Premier Hoxha that the US will withdraw its Mission from Tirana immediately. The note is to state that, since the Mission has been unable to bring about mutual understanding or to establish diplomatic relations between the two countries, there is no further reason for it to remain in Albania.
2. Molotov to clarify Soviet atomic position in UN speech--The Soviet expert on the Atomic Energy Commission has informed a US representative that Molotov will make a speech before the Assembly clarifying the Soviet position on international control of atomic energy.
3. Soviet view on unification of China--US Embassy Moscow reports that Minister of Foreign Affairs Malik recently told the British Ambassador that the USSR desires a unified China, and he agreed that Chiang Kai-shek and the Kuomintang are the only forces now in China able to unite the country. Malik "hastened to add" that basic democratic reforms and elimination of the CC clique would be necessary preliminaries to unification.
4. Some Yugoslav students to remain in Czechoslovakia--US Military Attache Prague reports that the Yugoslav Embassy in Prague has "unexpectedly" returned passports to all Yugoslav students in Czechoslovakia except "known reactionaries" [REDACTED]

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EUROPE

5. CZECHOSLOVAKIA: Benes reported seriously ill--US Military Attache Prague reports that, [REDACTED] President Benes is seriously ill and that "a second attack" would prove fatal.
6. USSR: Soviet propaganda supports Arabs--US Charge Durbrow reports from Moscow several indications, highlighted by a recent editorial in PRAVDA, that the USSR is adopting an openly pro-Arab and anti-Zionist policy.

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Reclassification results in ration reductions--According to US Military Attache Moscow, many Soviet citizens, formerly classified as workers, have been downgraded to clerks, thus suffering substantial loss in rations. Dependents between 17 and 55 and domestics in private employ are now allowed no bread ration cards, while bread and flour have ceased to be available in commercial stores (where ration cards are not required). The MA believes these measures are designed to permit re-establishment of food reserves and to force additional labor into industry.

7. BULGARIA: Opposition Party members arrested--According to US Representative Barnes, Social Democratic Party chief Lulchev and 22 other Party members have been arrested for having circulated a "spurious" speech credited to Secretary Byrnes. Barnes believes that Lulchev (who has been released on bail) had no connection with distributing "such a stupid and unconvincing fabrication," but that his arrest may be the first post-election use by the Communists of the new "law for the defense of the peoples' authority to liquidate Opposition representation in the National Assembly."
8. ITALY: Allied forces to remain in Trieste--Secretary Byrnes has informed US Political Advisor Caserta that the US and UK intend to maintain forces in the Free Territory of Trieste after the ratification of the Italian peace treaty and until the new Trieste administration is able to maintain internal security and guard its frontiers.
9. FRANCE: Probable composition of the new government--Monick, Governor of the Bank of France, has told US Embassy Paris he believes the new government, in addition to the three parties now represented, will include other political groups which would be "driven into cooperation" by joint fear of a "de Gaulle dictatorship." Monick also considers MRP statements about excluding Communists from the next Cabinet "largely campaign window dressing."
10. GERMANY: Labor removals attributed to SED failure--Murphy reports that the German head of the Soviet Zonal Administration for Industry, believes the recent dismantlings and deportations [redacted] were decided upon only when it became evident that plans to dominate the Soviet Zone through the SED had failed. While this

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official does not think Soviet authorities have plans for further deportations at present, he believes "Moscow probably would continue on this line unless Allied action prevented it."

NEAR EAST-AFRICA

11. **IRAN:** Consideration of new US credit recommended--Allen recommends "sympathetic consideration" by the US of an Iranian request for a \$10,000,000 credit for purchase of military supplies. Allen, and Generals Grow and Schwarzkopf, are agreed that the US Military Missions to Iran cannot succeed if means are not found to replenish the almost exhausted non-combat supplies. Allen adds that the USSR is eager to furnish all sorts of supplies, including combat material, and that General Grow believes the Iranians may turn to the "USSR in desperation if their army runs out of trucks, shoes, uniforms and blankets."

FAR EAST

12. **CHINA:** Chinese delaying Sinkiang negotiations--Embassy Nanking reports that the Chinese Government is "obviously using delaying tactics" in negotiations with the Soviet Consul General in Sinkiang over Soviet concessions in that province. The Chinese Government has notified the Soviet Consul General that it agrees in principle to joint exploitation of Sinkiang's tin and wolfram mines, provided they remain under Chinese management.

THE AMERICAS

13. **PANAMA:** US proposed statement held "not satisfactory"--Hines reports that the joint statement on defense sites proposed by the State Department is not satisfactory to Panama. He suggests careful review of Panama's proposal for a statement based on 90-day renewable joint US-Panamanian control pending negotiation of a new agreement.

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